

APPENDIX A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION

In Re: SAMPLE

Debtor

Case No. _____

(If known)

Chapter 13

CHAPTER 13 PLAN

The above-named Debtor (whether one or more) proposes under Chapter 13 of the Bankruptcy Code the following Plan:

The debts of the Debtor duly proved and allowed shall be paid to the holders thereof in accordance with the provisions of the Bankruptcy Code and this Plan.

Debtor hereby submits such portion of future earnings or other future income to the supervision and control of the Trustee as is necessary for the execution of the Plan.

The Debtor agrees to pay into the Plan for the payment of creditors the sum of \$373.00 within 30 days of filing this Plan, and a payment of \$373.00 monthly thereafter for the duration of said Plan.

Payment of any claim against the Debtor may be made from property of the estate or property of the Debtor.

From the payments so received, the Trustee shall make disbursements in the following order:

- a. Administrative Expenses: The Trustee shall first pay the expenses as prescribed by the Court for administering the Plan. The balance, if any, of attorney fees owed to the Debtor's attorney shall be paid concurrently with priority and allowed secured claims, in full, by consecutive monthly installments beginning at the date a Plan is confirmed herein, and in advance of unsecured creditors. Debtor's attorney reserves the right to make demand at any time for full payment of any balance of attorney fees, and the Trustee shall pay the same ahead of other claims.
- b. Shelter: In the event the Debtor is in arrears in any payments to a creditor holding a mortgage on the Debtor's home (or is in arrears in any rental to a landlord for the Debtor's place of residence), such delinquent payments shall be made by the Trustee before any distribution is made to Class 4 unsecured creditors.
- c. Priority Claims: All claims entitled to priority under Section 507 of the Bankruptcy Code will be paid in full in deferred installments unless the holder of such claim agrees to a different treatment of such claim, such payments to be as hereafter specifically scheduled for payment and if not so scheduled, then along with secured claims.

Priority claims for taxes which are deemed unsecured shall not accrue interest or penalty subsequent to the date of filing and such interest or penalty as might otherwise accrue thereafter shall be discharged upon conclusion of this proceeding.

UNITED STATES BANKRUPTCY COURT
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In Re: SAMPLE

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Chapter 13

CHAPTER 13 PLAN

(Continuation sheet #1)

- d. Secured Claims: Secured creditors whose claims are timely filed, duly proved, and allowed, will be paid at least the amount of their security. The allowed secured claims shall be paid in such amount as the creditor's contract with the Debtor provides, unless the payments under the Plan are insufficient, in which case the secured claims shall be paid as hereafter specifically scheduled for payment, and if not scheduled for payment, then on a pro rata basis.

The value, as of the effective date of this Plan, of property to be distributed under the Plan on account of secured claims is not less than the allowed amount of such claims. The holders of such claims shall retain their liens on the collateral which is security for such claims; except, however, as the Debtor elects to avoid the liens which may be set aside by Section 522(f) of the Bankruptcy Code. Upon payment of an allowed secured claim, the creditor shall release its lien or security interest as to anything securing payment thereof, and shall deliver title or appropriate release to the Debtor at such time.

The status of claims shall be determined in accordance with Section 506 of the Bankruptcy Code and Bankruptcy rules 3001 and 3002. Claims thought to be secured but which are found by the court to be unsecured will be treated as unsecured.

- e. Unsecured Claims: Unsecured claims shall be divided into four classes, and each claim within a particular class shall receive the same treatment:

(1) Class 1 shall be all claims arising out of consumer debts for which any individual is liable with the Debtor by way of co-signature, guarantee, endorsement, or otherwise. All claims in this class shall be paid in full, including interest, along with secured claims as hereinafter specifically scheduled for payment, and if not scheduled for payment, then on a pro rata basis.

(2) Class 2 shall include claims based on NSF checks, or any claims which might incur criminal sanction, and will be treated as priority claims.

(3) Class 3 shall include claims which are nondischargeable in Bankruptcy.

(4) Class 4 shall be all other unsecured claims. Payments, if any, to this class will be on a pro rata basis. All allowed claims of this class shall be paid in an amount under the Plan which is not less than the amount that would be paid on such claims if the estate of the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the date of filing of the petition herein. In calculating the payments to creditors, there shall not be included payments made by the Trustee on any arrearage for rent or house payments, payments made by the Trustee to the Debtor, any payment made by the Trustee on claims not listing in the original Schedule of Debts in these proceedings by the Debtor, nor payments made by the Trustee on post-petition debts. Any Class 4 unsecured claim to be paid in the

UNITED STATES BANKRUPTCY COURT
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BROWNSVILLE DIVISION

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Debtor

Case No. _____

(If known)

Chapter 13

CHAPTER 13 PLAN

(Continuation sheet #2)

amount of \$50 or less may be paid, to such extent, in full, in equal installments, or as the Trustee elects, rather than on a pro rata basis.

Unsecured claims may be paid concurrently with priority and secured claims so long as each secured creditor is receiving not less than its contract monthly installments. Any delinquencies on secured claims and Classes 1, 2 and 3 unsecured claims must be brought current before any payments are made on Class 4 unsecured claims.

- f. No interest, penalty, or additional charge shall be allowed on any account subsequent to the filing of the petition herein, except that interest shall be allowed on Class 1 unsecured claims as specified above, and to secured creditors in accordance with Section 506(b) of the Bankruptcy Code.

All claims by a creditor must be filed within ninety days after the first date set for the First Meeting of Creditors and in accordance with Bankruptcy Rule 3002. Debtor reserves the right to file a claims on behalf of a creditor at any time during the term of the Plan.

Any specifically scheduled amounts to be paid to creditors are set forth in "Exhibit A" attached hereto and made a part hereof.

The Court may from time to time during the period of the plan of repayment, increase or reduce the amount of any of the installments provided by the Plan, or extend or shorten the time for any payments where it shall be made to appear, after hearing upon such notice as the Court may designate, that the circumstances of the Debtor so warrants or requires; provided, however, that nothing in the Plan shall be construed to prevent the granting of a discharge of the Debtor as provided in Section 1328 of the Bankruptcy Code.

The 60 months allowed for repayment of debts shall be determined to be met when the Trustee receives a sum of money equal to the amounts he should have received in 60 months as provided by the Plan, or as the Plan may be amended from time to time.

As allowed by Section 1322(b) (7) of the Bankruptcy Code, the Debtor hereby moves to and does hereby:

1. Reject the executory contracts or unexpired leases with the following creditors:

NONE

2. Assume the following executory contracts with the following creditors:

NONE

All property of the estate shall remain as property of the estate subject to 11 U.S.C. 362 until an Order of Discharge or Dismissal is entered.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
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CHAPTER 13 PLAN

(Continuation sheet #3)

The plan payment consists of all disposable income of the Debtor. The Plan as proposed will last for a period of approximately 60 months. Priority creditors shall be fully paid. Secured creditors shall be paid the allowed amount of their collateral. Classes 1, 2, and 3 unsecured creditors shall be fully paid. Duly filed and allowed Class 4 unsecured creditors will receive a pro rata distribution after payment of the foregoing, which may not pay them in full. Any unpaid balances remaining after the payment provided for herein shall be discharged. Based on the information as filed to date, it is estimated that the Class 4 unsecured creditors will be paid approximately 25%.

Such payments shall be made by Debtor in addition to the payments to the Trustee as hereinabove set forth.

Signed on the _____ day of _____, 19__.

SAMPLE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION

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Debtor (If known)

Chapter 13

EXHIBIT "A"
SUMMARY OF PROPOSED CHAPTER 13 PLAN

BUDGET INFORMATION

A. Monthly Income:	+	0.00
Expenses	-	0.00
Difference	=	0.00
B. Monthly Plan Payment		373.00

ANALYSIS OF PLAN

A. Monthly Plan Payment	373.00
B. Duration	60 months
C. Gross Amount from Debtors	22,380.00
D. Administrative Expense (10% of "C.")	2,238.00
E. Net Available to Creditors	20,142.00

Name of Creditor	Amount Claimed	Value of Collateral	Int. Rate	Monthly Payment	Term	Total
F. Priority Claims:						
ADMINISTRATIVE INSURANCE CLAIM	2,340.00	Unsecured	0.0000%	39.00	1-60	2,340.00
G. Secured Claims:						
SECURED	10,000.00	10,000.00	11.5000%	282.71*	1-45	12,722.10
H. Special Class:						
(None)						

Total Secured, Special Class, and Priority Claims: 15,062.10

* = Variable Payments

I. Amount available for unsecured claims	5,000.00
J. Total general unsecured claims	20,000.00
K. Percentage for general unsecured claims	25%

The following creditors will be paid outside of the plan:
(None)

The Debtor, acting as disbursing agent for the Trustee, shall make the regular monthly installment payments on his/her homestead to:
(None)

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EXHIBIT "A"
SUMMARY OF PROPOSED CHAPTER 13 PLAN
(Continuation sheet #1)

The Trustee, the Debtor, and the attorney for the Debtor agree to examine proofs of claim or summaries thereof and will object to the allowance of improper claims.

The unsecured creditors will be paid after the secured and priority claims are paid. This Summary represents the Debtor's final plan.

ATTORNEY: _____

APPENDIX B

SUMMARY OF INSURANCE COVERAGES

LIFE BENEFITS: If you or your co-acountholder (spouse, if no co-acountholder) die, Chargegard Plus will pay the outstanding balance as of the date of loss, up to the master policy maximum. Suicide is excluded. In Texas, the joint insured must be a spouse or business partner and be jointly liable for repayment of the indebtedness.

Suicide is excluded except in Maine, Maryland, Massachusetts, Missouri and Pennsylvania. Single life coverage is only provided in Massachusetts, and Maine. Life coverage converts to accidental death coverage at age 65 in Alabama, Alaska, Hawaii, Indiana, Kentucky, Nebraska, Nevada, North Dakota, and Vermont.

DISABILITY/UNEMPLOYMENT BENEFITS: If you become disabled through an accident or illness, and are under a doctor's care and cannot work, or become involuntarily unemployed, Chargegard Plus will make your scheduled minimum monthly payment, up to the master policy maximum, while you remain disabled or involuntarily unemployed. Retirement is not covered. Strikes and labor disputes are not covered in Illinois and New York. Unemployment benefits limited to 6 months in Missouri and New York and 12 months in Pennsylvania.

PROPERTY BENEFITS: If merchandise purchased on your account is damaged or destroyed by fire, flood, burglary by forcible entry or from any of the other perils mentioned in your certificate, Chargegard Plus will pay the cost of repairing or replacing your merchandise. Property benefits are not available in Indiana.

GENERAL PROVISIONS: You are eligible for this coverage if you are employed full time in a non-seasonal occupation (this restriction does not apply in Maine and Michigan). Unemployment and Disability benefits begin after 30 consecutive days of unemployment or disability and are retroactive to the first day of loss (disability is 14 consecutive days in Ohio and 31 consecutive days in New Hampshire and Washington. Unemployment and disability is 31 consecutive days in Hawaii and Michigan). Benefits are based on the outstanding balance as of the date of loss and will continue until your balance is paid off, you return to work, or you reach the maximum limits of the master policy, whichever occurs first. Only Life benefits are available to co-acountholder (Spouse). Benefits are not payable on purchases made during the claim period.

Maximum enrollment age is 70 in all states, except age 75 in South Dakota.

The monthly premium is \$.89 per \$100 of your outstanding balance in all states except \$.854 in Alabama, \$.865 in Hawaii, \$.60 in Indiana, \$.878 in Iowa, \$.881 in Maine, \$.839 in Massachusetts, \$.95 in Michigan, \$.731 in Minnesota, \$.759 in New Hampshire, \$.85 in New Jersey, \$.624 in New York, \$.814 in North Carolina, \$.526 in Pennsylvania, \$.90 in South Carolina and \$.857 in Vermont, which will be charged to your account.

In Texas, the cost for this coverage is a combined rate of \$.89 per \$100 of the monthly outstanding indebtedness. This rate is comprised of \$.057 for life, \$.170 for disability, \$.463 for property, and \$.200 for unemployment.

[0056] All references cited herein are incorporated by reference. While this invention has been described fully and completely, it should be understood that, within the scope of the appended claims, the invention may be practiced otherwise than as specifically described. Although the invention has been disclosed with reference to its preferred embodiments, from reading this description those of skill in the art may appreciate changes and modification that may be made which do not depart from the scope and spirit of the invention as described above and claimed hereafter.